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TAGS: [PREL](#) [PARM](#) [ETTC](#) [MASS](#) [EG](#)
SUBJECT: END-USE ISSUES IN EGYPT

REF: A. CAIRO IIR 6 899 0093 09
[1](#)B. CAIRO 458
[1](#)C. CAIRO IIR 6 899 0085 09

Classified By: DCM Matt Tueller per 1.4 (b) and (d).

[1](#)1. Key Points:

-- (S/NF) Since 2006, the Department has reported to Congress five separate potential violations of Egypt's end-use, re-transfer, and security obligations.

-- (S/NF) Three of those cases - the Medical Center, Metrology Lab Case, and Synchrolift - involved potential end use violations for commercial gain with no possible adverse effects on U.S. security interests. GOE acknowledged the violations and took corrective action.

-- (S/NF) Two of the cases (occurring in 2005 and 2006) involved concerns over testing U.S. equipment using Chinese technology. In one case, GOE admitted it "went too far" and pledged not to repeat the mistake.

-- (S/NF) The most recent violation involving the re-engineering of 155mm gun tube showed a GOE lack of understanding and appreciation for end-use obligations, especially at lower levels within MOD.

-- (S/NF) Post recommends that OMC Chief engage immediately with MOD counterparts and offer to provide enhanced training on end-use obligations and help MOD create a mechanism to educate all those involved in handling U.S. equipment and technology on the importance of end-use obligations.

- (S/NF) Post also recommends that end-use issues become a regular part of our bilateral dialogue by including it as a permanent agenda item for the annual Military Cooperation Committee meeting.

[1](#)2. (S/NF) Comment: From the violations reported to Congress since 2006, there have been no cases with potential adverse impact on U.S. national security interests. Most cases have involved end-use violations occasioned by MOD involvement in commercial activity. In those cases the system worked - Post's end-use monitoring program identified possible violations and MOD took corrective action. All potential violations are serious and we want to do everything possible with the Egyptians to ensure compliance. Tantawi and high-level military leaders understand end-use obligations. The recent gun tube case, in which an engineer proudly shared his re-engineering effort to an Embassy official - demonstrated that high-level MOD leadership has failed to educate personnel on end-use violations.

[1](#)3. (S/NF) Comment Continued: Post recommends that we work with MOD to educate personnel at all levels. If more

violations occur between now and the next MCC meeting (scheduled for fall 2009), we can use the MCC as a platform for high-level discussions on corrective action. Tantawi has committed to adhering to end-use obligations on several occasions. Ensuring that commitment is widely transmitted, will ensure that the GOE has no excuse for future violations. End Comment.

Potential and Confirmed End-Use Violations

¶4. (S/NF) Since 2006, the Department has notified Congress of five potential end-use violations by Egypt:

- Bodyguard Case (2005)
- Medical Center Case (2005)
- Metrology Center Case (2006)
- Synchrolift Case (2006)
- Radar Warning Receiver Case (2006)

¶5. (S/NF) Three of those cases - the Medical Center, Metrology Lab Case, and Synchrolift - involved potential violations for commercial gain that did not threaten US national security. GOE acknowledged the violations and took corrective action. The other two cases involved concerns over testing US equipment using Chinese technology. In the Body guard case, GOE admitted it "went too far" and pledged not repeat the mistake. The Radar Warning Receiver case involved possible planned tests against U.S. equipment, but it is not known if those tests occurred.

¶6. (S/NF) In December 2008, a contracted Egyptian engineer informed an Embassy official that he had successfully re-engineered a 155mm gun tube from a M109 self-propelled howitzer and claimed to be able to manufacture the components of the gun and its mount (ref A). OMC Chief raised the issue with Generals al-Assar and Helmi, Senior Advisors to the Minister of Defense, who took corrective action immediately, saying the engineer acted on his own and was not under orders. In March 2009, OMC Chief informed al-Assar that the Department would notify Congress about the violation (ref B).

¶7. (S/NF) In December 2008, Egyptian Air Force officials hosted a visit by Chinese military officials to Fayid Air Force Base, a facility at which only U.S.- supplied F-16 fighter aircraft are based (ref C). American personnel viewed a static display of an F-16 being prepared ahead of the visit, but no American personnel were present during the tour, so it is unknown if the Chinese official was given access to technical shops that might have contained critical components. OMC Chief requested more information on the case in March 2009, but the GOE has not yet responded.
SCOBey